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Testimony before the U.S. House Agriculture Subcommittee on Department Operations,
Oversight, Dairy, Nutrition, and Forestry Hearing on the future of renewable fuels and
flex fuel vehicles

Mr. Chairman and Members of the committee, thank you for the opportunity to testify today on behalf of General Motors. I am Mary Beth Stanek, Manager of General Motors Strategic Initiatives, and I am leading several aspects of the E85 partnership activities and supporting General Motors national Live Green Go Yellow marketing campaign.

I would like to briefly cover several items including the benefits of E85, our current model offerings, national and regional marketing efforts and our infrastructure partnership activities to-date.

We believe there are many benefits of using E85 including

- Ethanol being a renewable fuel
- Using E85 helps reduce greenhouse gas emissions
- Using E85 helps to reduce dependence on petroleum and helps to create greater diversity in our nation's energy supplies and sources
- Using E85 helps to reduce smog forming emissions
- Using E85 can help to support the domestic agriculture industry in the U.S. and support new job growth

General Motors has placed a very high priority on flex fuel vehicles and renewable fuels. General Motors produces a broad lineup of flex fuel offerings including the Chevrolet Tahoe, Suburban, Silverado, Avalanche, Impala, Monte Carlo and GMC Yukon, Yukon XL and Sierra. General Motors is approaching two million vehicles on the road with many more to come.

In addition to producing flex fuel vehicles capable of running on E85, GM has also partnered with the Governors' Ethanol Coalition. As part of this collaboration, GM has loaned E85 flex fuel vehicles to 28 states and organizations so that they may use them to educate the public and promote the benefits of using ethanol. This partnership has been extended for 2006 and the loan of GM's 2007 E85 flex fuel vehicles is underway.

The member states include: Alabama, Arizona, Arkansas, Colorado, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Washington, Wisconsin and Wyoming. Puerto Rico is also a member.

General Motors launched a national advertising campaign in February of 2006 beginning with the very visible 2006 Super Bowl XL hosted in our city of Detroit, Michigan. The unmatched visibility and viewership presented by the Super Bowl offered

a great opportunity for us to launch a major marketing and advertising campaign that focuses on key energy diversification issues, and helps us illustrate a core element to GM's overall vehicle strategy. After the Super Bowl, the campaign continued through the 2006 Winter Olympics. Web traffic to our Livegreengoyellow.com website was in the millions as consumers investigated E85, GM flex fuel vehicles, and station locations.

The campaign is a key element in building the GM brand equity, as part of the overall North American turnaround. With 1.9 million E85 capable GM vehicles already on the road, and our plan to produce many more FlexFuel vehicles, we want to educate consumers to know that they have choice of fuel options and to also understand the benefits of ethanol.

A part of our E85 outreach, we will be equipping E85 capable Chevrolet and GMC cars and trucks with yellow fuel caps and exterior flex fuel badging. This will help consumers to determine whether their vehicle is FlexFuel. The yellow cap will also be a regular reminder that these consumers have a fuel choice each time they fill up their tank. We are also developing a current owner notification program that will be implemented in 2006.

In addition, GM is working on several efforts to educate the public. In 2006, we have stepped up these efforts with several regional and local marketing efforts in conjunction with our national advertising campaign. We also intensified efforts to help the public understand the benefits of E85, including enhanced labeling, dealer and consumer education, collaboration with state and federal ethanol initiatives, and continued support of industry events.

General Motors is continuing efforts to promote the availability and use of E85 refueling infrastructure in several states. Most recently, we announced that General Motors is partnering with Meijer, CleanFuelUSA, the State of Michigan and the State of Indiana to work towards approximately forty new retail outlets. We have previously announced similar partnerships in California with Chevron, Pacific Ethanol and the State of California; in Illinois with VeraSun, Gas City and an upcoming pilot with Shell; in Minnesota with VeraSun and Erickson Oil; and in the State of Texas with Kroger and Abengoa Bioenergy in 2006. In 2005, GM co-marketed fuel coupons and owner awareness in Sioux Falls, South Dakota.

- The collaborative effort is important to help grow the E85 refueling infrastructure and to increase the availability of the fuel to more E85 flex fuel drivers
- GM will support the collaboration by promoting awareness among flex fuel owners, company drivers and prospective buyers
- As an example, in the North Central region GM is offering a \$1,000 fuel coupon with each new flex fuel purchase—supporting our flex fuel marketing effort and our E85 retail partners

We believe that by continuing to work in collaborative partnerships that we can be a catalyst to the development of true fuel diversity in the United States.

In summary, GM supports the various proposals advanced by the President to secure and diversify our energy supply. GM is working with industry partners and federal and state governments to develop new technologies and to shift to more alternative fuel choices. GM believes these actions will help to significantly reduce our dependence on oil. GM is also providing a diverse portfolio of hybrid choices to consumers, and supports research for battery advances. GM is also aggressively working to have cost-competitive fuel cell propulsion systems ready by the end of the decade to help usher in the hydrogen economy. In addition to the items listed by the President, GM also supports consumer incentives for the early adoption of advanced clean technology vehicles.

Thank you.